

## Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIE-00

INRE-00 NSCE-00 SSO-00 IO-11 ACDA-05 MC-02 OMB-01

EB-07 COME-00 TRSE-00 /076 W

----- 014031

O R 110021Z FEB 76

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC IMMEDIATE 5402

INFO AMEMBASSY JAKARTA

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

C O N F I D E N T I A L SEOUL 0987

E.O. 11652: GDS

TAGS: PFOR, MASS, KS, ID, SN

SUBJECT: POSSIBILITY OF ROK ASSISTANCE IN DEVELOPMENT OF  
INDONESIAN AIR FORCE

1. IN CONVERSATIONS WITH POLCOUNS FEB. 5 AND AMBASSADOR  
FEB. 6, AMERICAN BUSINESSMAN PAUL MCCANN, NOW OPERATING  
PRIMARILY IN SINGAPORE AND INDONESIA, SAID HE WAS IN SEOUL,  
AMONG OTHER REASONS, TO DISCUSS POSSIBILITY OF ROK ASSISTANCE  
IN DEVELOPMENT OF INDONESIAN AIR FORCE.

2. MCCANN, FORMER PRESIDENT AMERICAN CHAMBER OF COMMERCE HERE,  
WITH REPUTATION AS FIRST-CLASS BUSINESS EXECUTIVE, ACKNOWLEDGED  
HE MUST APPEAR UNUSUAL BROKER FOR SUCH PROPOSAL. HE SAID HE HAD  
BECOME INVOLVED THROUGH HIS CHINESE-INDONESIAN BUSINESS  
PARTNER, EDDIE TAN, WHO STAYS IN CLOSE TOUCH IN JAKARTA WITH  
HIS "OLD FRIEND", ALI MURTOPO.

3. MCCANN CLAIMS MURTOPO HAS INDICATED THAT GOI IS LEERY OF  
DIRECT U.S. ASSISTANCE IN STRENGTHENING DEFICIENT INDONESIAN  
AIR FORCE, AND WOULD LIKE TO SEEK HELP FROM OR VIA OTHER  
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SOURCES. KOREA APPEARS TO BE A QUALIFIED AND ATTRACTIVE

CHOICE. DEVELOPMENT CONCEPT WOULD INCLUDE INDONESIAN PURCHASE, THROUGH KOREA, FROM U.S., OF EQUIPMENT AND TECHNICAL ASSISTANCE FOR INITIAL TRAINING OF INDONESIANS IN ROK BY KOREANS. SCHEME COULD SUBSEQUENTLY BE EXPANDED INTO LONG-TERM MATERIAL PURCHASE, TRAINING AND FACILITIES DEVELOPMENT PROGRAM WORKED OUT AMONG U.S., KOREA AND INDONESIA. MCCANN SAYS MURTOPO DOES NOT WANT TO MAKE EXPLICIT PROPOSAL TO INVOLVE KOREA IN TRILATERAL CONCEPT UNTIL MCCANN HAS TAKEN SOUNDINGS HERE AND IN U.S. AND HAS LAID SOME GROUNDWORK.

4. MCCANN STATED THAT HIS DISCUSSIONS TO DATE IN SEOUL HAD WON POSITIVE RESPONSES. HE NOTED HE HAD TALKED WITH KOREAN TRADERS' ASSOCIATION PRESIDENT PARK CHOONG HOON, A PRINCIPAL ASSISTANT TO ECONOMIC SECRETARY O WON CHOL AT BLUE HOUSE, AND MG YU SAM SOK, HEAD OF MND'S DEFENSE INDUSTRY BUREAU, TO WHOM HE WAS REFERRED BY BLUE HOUSE. MCCANN REPORTED THAT HE HAD FOUND "CONSIDERABLE INTEREST" AT BLUE HOUSE, AND THAT MG YU HAD SAID HE WAS "PERSONALLY INTERESTED IF INDONESIANS MAKE PROPER APPROACHES." MCCANN REMARKED THAT HE AND ALL PARTIES WITH WHOM HE MET MADE IT CLEAR THEY WERE "JUST TALKING AND WOULD SEE WHAT HAPPENS AS WE GO ALONG."

5. PROFIT POTENTIAL FOR MCCANN ET AL WAS UNSTATED BUT CLEAR DURING CONVERSATIONS IN WHICH HE PROMOTED POSSIBLE DEVELOPMENT OF "U.S. PURCHASE PATTERNS" IN CARRYING OUT CONCEPT.

6. MCCANN'S TENTATIVE TRAVEL PLANS CALL FOR BRIEF TRIP TO U.S., WITH POSSIBLE VISIT TO WASHINGTON ABOUT FEB. 11 OR 12, DURING WHICH HE MAY CALL ASSISTANT SECRETARY HABIB OR OTHER DEPARTMENT OFFICIALS TO PURSUE PROPOSAL.

7. AMBASSADOR TOLD MCCANN THAT PROPOSITION AS SKETCHED WAS AN INTERESTING ONE, BUT THAT WE COULDN'T ESTIMATE ITS VIABILITY FROM THIS VANTAGE POINT ALONE. HE CAUTIONED MCCANN THAT, GIVEN THE COMPLEXITIES INHERENT IN SUCH A PROPOSAL, IT COULD ONLY BE PROPERLY ADDRESSED BY WASHINGTON.  
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## Message Attributes

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**Capture Date:** 01 JAN 1994  
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